

Date Mailed December 22, 2000

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Electric Power Company for Approval of
Plan to Improve Reliability Through Infrastructure and Incentives
and Request for Rate Increase for Test Year 2000

6630-UR-111

**ORDER TO REOPEN
AND
NOTICE OF HEARING**

Direct Testimony Due:	Wednesday, January 10, 2001 – Noon
Rebuttal Testimony Due:	Tuesday, January 16, 2001 – Noon
Hearing Date:	Wednesday, January 17, 2001 – 9:30 a.m.
Hearing Location:	Flambeau River Conference Room, 3rd Floor, Public Service Commission, 610 North Whitney Way, Madison, WI

On September 17, 1999, Wisconsin Electric Power Company (WEPCO or Company) filed an application with the Commission under Wis. Stat. §§ 196.03, 196.20, and 196.37, for authority to increase rates for electric and natural gas service. This application was docketed as 6630-UR-111.

The Commission issued a final decision in docket 6630-UR-111 on August 30, 2000 (Order). The Order contained a forecast of fuel costs, established fuel cost variance ranges, and imposed fuel cost monitoring in accordance with Wis. Admin. Code § PSC 116.04.

Pursuant to Wis. Admin. Code §§ PSC 116.03(1) and 116.06, an emergency rate increase can be granted only if the utility's actual monthly fuel costs exceed the ranges set in its rate proceeding and the annual fuel costs will be affected so as to exceed the annual range, and the increase in fuel costs was caused suddenly by forces beyond the utility's control or reasonable foresight.

Appendix D of the Order contains the monitored monthly fuel costs by fuel cost per net kWh produced and the cumulative monthly cost per kWh.

On December 8, 2000, WEPCO filed an application for a rate increase under Wis. Admin. Code § PSC 116.06. WEPCO asserts its fuel costs have exceeded the cumulative ranges and it will exceed its annual variance for both 2000 and 2001. WEPCO is requesting an increase of \$51.4 million on a retail basis for 2001. If the proposed year 2001 surcharge cannot take effect by February 1, 2001, WEPCO requests that the surcharge be implemented on an interim basis, or the increased fuel costs be deferred. Therefore, the Commission hereby reopens docket 6630-UR-111 under Wis. Stat. § 196.39 to consider the company's application for an increase in rates.

NOTICE IS GIVEN that a hearing will be held beginning on Wednesday, January 17, 2001, at 9:30 a.m. in the Flambeau River Conference Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

This hearing will be conducted for the limited purpose of:

1. Determining whether it is reasonable for the Commission to grant WEPCO's request for an emergency or extraordinary rate increase in a proceeding limited in scope to the question of the increase in fuel costs under Wis. Admin. Code § PSC 116.06(1).
2. Determining what relief is available, based on changes found in WEPCO's fuel costs.
3. Altering the forecast of fuel costs and the fuel cost variance ranges imposed by the Order, on an interim basis, based on changes found in WEPCO's fuel costs.

Any increase in rates resulting from this hearing shall be interim in nature and subject to direct refund with interest.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

Docket 6630-UR-111

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Michael A. Ritsema at (608) 267-9296.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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